

Service Date: July 21, 1998

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the application	)	
of THE MONTANA POWER COMPANY for	)	UTILITY DIVISION
Authority to Issue and Sell	)	
not to Exceed 2,000,000 Additional	)	DOCKET NO. D98.7.150
Shares of Common Stock	)	
Pursuant to its Long-Term Incentive	)	DEFAULT ORDER NO. 6081
Plan for Compensating Employees.	)	

On July 2, 1998, The Montana Power Company (MPC) filed with the Montana Public Service Commission a verified application, pursuant to Montana Code Annotated (MCA) §§ 69-3-501 through 69-3-507, seeking an order authorizing the issuance of 2,000,000 shares of Common Stock (Stock). The Stock to be issued will be sold or granted to employees of MPC by the Board of Directors pursuant to the Long-Term Incentive Plan (Plan) described in the application.

The application is supported by exhibits and resolutions of the Board of Directors in accordance with the Commission practice and rules and regulations governing the authorization of issuance of securities by public utilities.

The application states that MPC is a public utility as defined in MCA § 69-3-101, in that it furnishes electric and natural gas service in the state of Montana; that MPC's principal executive office is at 40 East Broadway, Butte, Montana; and that MPC is duly qualified to do business in the states of Montana, Wyoming and Idaho. For detailed information with respect to the general character of MPC's business and the territory served by it, reference is made to the application.

Having considered the application and being fully advised in the premises, the Commission makes the following:

**FINDINGS OF FACT**

1. MPC is a corporation organized and existing under and by virtue of the laws of the state of Montana and is qualified to transact business in the state of Montana, and as a foreign corporation in the States of Idaho and Wyoming.
2. MPC is a public utility as defined in MCA § 69-3-101 and is engaged in furnishing electric and natural gas service in the state of Montana.
3. The Commission has jurisdiction over the subject matter of the application pursuant to MCA § 69-3-501.
4. The applicant states that MPC's Board of Directors determined that the Long-Term Incentive Plan should be implemented to reward employees who make important contributions to the continued growth, development and financial success of The Montana Power Company or its subsidiaries and to attract and retain such employees.
5. The application further states that MPC will file promptly with this Commission the implementation plans which are developed from time to time under the Plan.
6. Notice of the filing of the application has been duly given.
7. Due consideration has been given to the matters presented by the application.

### **CONCLUSION OF LAW**

1. The issuance and sale or grant of a total of 2,000,000 shares of Common Stock, as hereinafter authorized, for the purpose of implementing the Plan, is for lawful purposes and is consistent with the public interest.

2. The application should be approved as hereinafter ordered.

IT IS THEREFORE ORDERED by the Commission that:

1. The application of The Montana Power Company for an Order authorizing the issuance of an addition 2,000,000 shares of its Common Stock in connection with its Plan is hereby approved and the issuance of such stock is authorized under the provisions of this Order pursuant to MCA § 69-3-501 through 69-3-507.

2. MPC shall file promptly with the Commission implementation plans as they are developed, including the types of Awards to be made, the eligibility criteria, the number of shares of Common Stock issued hereunder to be used and all other implementation details.

3. Issuance of this Order does not constitute acceptance of Montana Power Company exhibits or other materials accompanying the application for any purpose other than the issuance of this Order.

4. Approval of the application shall not be construed as precedent to prejudice any further action of the Commission.

5. MCA § 69-3-507, provides that neither the issuance of securities by Montana Power Company pursuant to the provisions of this Order, nor any other act or deed done or performed in connection with the issuance, shall be construed to MPC

obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed.

DONE IN OPEN SESSION at Helena, Montana, this 20th day of July, 1998, by a  
Vote of 5 -0 .

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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DAVE FISHER, Chairman

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NANCY McCAFFREE, Vice Chair

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BOB ANDERSON, Commissioner

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DANNY OBERG, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson  
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.

